Energy for our Future:

Approaching Ikummatiit

Developing a Nunavut Energy Strategy

Energy Secretariat
Government of Nunavut

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1.0 Approaching Ikummatiit

This is an overview of Ikummatiit, the Government of Nunavut's Energy Strategy that is intended to deal with the fact that all of the energy used in Nunavut to heat and light homes and buildings, and to run cars, trucks, boats, snowmobiles and all-terrain vehicles comes from imported fossil fuels. The money to buy that fuel is sent from Nunavut to southern suppliers. The GN spent $130 million for fuel delivered to Nunavut during the 2006 shipping season.

In the long-term Nunavut's goal is to slow this consumption and then effectively reduce our dependency on imported fossil fuels by developing Nunavut – based resources and using renewable energy sources.

At the same time we need to build our capacity to develop and manage projects so that Nunavut and Nunavummiut will be ready and capable to participate effectively when our resources begin to be exploited and the territory becomes a producer of fossil fuels.

The Ikummatiit document will lay out a number of options and approaches to advancing energy self-sufficiency for Nunavummiut. It approaches the resolution to our addiction to fossil fuels as a long term process. It identifies ways we can begin to assert control over our use of resources, providing options with Immediate (two years), Medium Term (within five years) and Long Term (five years and beyond) time frames.

Nunavummiut will have to undergo a "mindset" change on energy and energy conservation. The public sector, including the GN, will need to undergo organizational changes. The foundation needs to be laid for effective personal and corporate participation in Nunavut's energy future.

In examining each of these approaches to managing our energy use and resources, Nunavummiut will join other Canadians who are challenging the idea that energy is cheap, plentiful and can be used without regard to the environment.

1.1 Changing How We Think About Energy

It is clear that Nunavummiut need to change how we think about energy. An intensive and sustained public information campaign can create both an energy-conservation "mindset" and deliver the information and resources to permit the general public to be the force propelling change.

The Nunavut Energy Centre is just emerging as a focus for these activities. Ikummatiit will look at how this role should be developed and enhanced so that all Nunavummiut have a good resource for energy needs. The centre can provide access to conservation resources and options, and could be a place where effective programming and incentives can be developed.

1.2 Changing How the GN Manages Energy Funds

Every dollar needed to buy oil and subsidize its use means one dollar less for health care, education and investment in other services and infrastructure that Nunavummiut need.

As much as 20 per cent of the government's total budget of approximately $1 billion is used for energy – to purchase and re-sell the fuel and then to subsidize its use. No other jurisdiction has to cut such a large piece out of its budget for energy purposes.

The GN's energy subsidies amount to about $34.2 million in 2006. That averages out to $1,500 for every person in Nunavut.

Ikummatiit reiterates the case made in IKUMA I, an energy report prepared for the GN in 2002, for the establishment of an affordable energy fund, with a mix of

subsidies and incentives, providing for improved flexibility, tracking and management of the funds GN spends on energy and energy subsidies. It would support the work underway within the GN to invest in energy savings and suggests additional ways to advance this work using existing dollars.

1.3 Changing How the GN Purchases Energy

Ikummatiit asks that we step back and again review the idea that a single company should manage Nunavut Power's operations and the Petroleum Products Division of the Department of Community and Government Services (CGS).

Recent price shocks provide a reminder that effective operations create opportunities and advantages for purchasing and enhanced operating economies of scale. This option needs to be re-examined with the key criteria being delivering of product to consumers all across Nunavut at a reasonable cost and with sound environmental, management and financial practices.

1.4 Taking Charge of our Energy Future

The GN is key to ensuring that economic tools and policy, regulatory and land-use management responsibilities are ready and effective to ensure that Nunavummiut achieve the maximum benefit from the eventual extraction of the territory's oil and gas reserves. A devolution agreement would provide Nunavut with management responsibilities over its natural resources.

In the longer term, the GN will need to work its way towards a well staffed and effective Department of Energy, Minerals, Oil and Gas (or an equivalent). To cover the wide public-interest mandate that will come with the management of all our energy issues – conservation, production, efficiency, participation in the oil industry and alternatives to oil and gas production, we will need financially and technically knowledgeable staff who approach issues with a Nunavut focus.

The sooner we start, the more likely we are to develop these skills here in Nunavut and to be ready for change that is to come.

2.0 Operating in a Changing Environment

Ikummatiit is not intended to be the final word on energy. The ongoing volatility that drives energy technologies and issues means every approach must be examined with the flexibility to adapt to changing needs and situations in the world around us.

The Ikummatiit document can provide approaches and ideas for energy policy. Detailed, specific planning and cost-benefit analysis will be needed prior to implementing any of the initiatives that are being considered. These plans will need to be developed, evaluated, approved and implemented by the responsible departments and agencies.

They will need to receive careful review. In some instances it may turn out that an approach recommended will have to be adapted to emerging events and issues in what will continue to be a dynamic energy environment.

Nunavummiut, and their elected representatives, will be consulted as the approaches in the Ikummatiit document are developed for implementation. As a starting point, it is important to map out a short-term, mid-term and longer-term policy framework that underlines the decisions that need to be made to take control of the energy element of our lives.

With Ikummatiit the GN will take the next step towards a comprehensive approach for taking control of energy in our territory.

To assist in the development of a comprehensive and focused energy strategy the GN has retained the services of CMC Consultants Inc. of Winnipeg, Manitoba.

3.0 Guiding Principles

Ikummatiit is built on the government's mandate in *Pinasuaqtavut 2004-2009* and on Inuit Qaujimjatuqangit.

One of the key objectives in *Pinasuqtavut* is to conserve and reduce the use of energy and find alternatives to diesel fuel for electricity generation.

In achieving this objective the government will be guided by Inuit Qaujimajatuqangit principles including

> *Aajiiqatigiiniq (decision making through discussion and consensus),*
>
> *Piliriqatigiiniq (working together for a common cause),*
>
> *Qanuqtuurniq (being innovative and resourceful) and*
>
> *Avatittinnik Kamatsiarhiq (respect and care for the land, animals and the environment.)*

The Ikummatiit document is intended to:

- *Provide a guide for the GN its decision-making regarding the supply and use of energy in Nunavut*
- *Start the process to enable decision-makers to better review the pros and cons (and costs and benefits) of specific actions for conservation, efficiencies and cost containment*
- *Review initiatives that will enable Nunavut to significantly reduce its reliance on fossil fuels*
- *Ensure Nunavummiut benefit the most from capital project jobs (hydro dam construction, wind power project, etc.) and are ready to be full partners in future energy initiatives.*

In the process of achieving these goals, Nunavummiut will become better informed about energy matters; greenhouse gas emissions and the overall environmental footprint can be reduced, and the Government of Nunavut can look to achieving energy cost savings.

4.0 Challenges

While opportunities for making real and positive changes in the energy sector are great, some difficult decisions lie ahead. Real solutions will require positive changes in "corporate" culture, consumer behavior, government operations and cooperation among governments, their departments and Crown agencies.

In Nunavut, efficiency and conservation efforts are constrained because support for consumers is almost wholly tilted towards subsidies; there is significantly less emphasis on demand side management. Without direct benefits, like cost savings, there is less incentive for energy users to pursue energy-efficient measures. This is no different in Nunavut than anywhere else but to be effective, the solutions in Nunavut will need to be adapted to our environment and economy.

Displacement of diesel by other fuels will result in favorable environmental impacts and also should result in a far greater portion of the cost of energy being retained in Nunavut -- even in the event that the overall cost of energy is not significantly decreased.

The link between energy and environmental impacts, such as diesel generated greenhouse gas emissions, is not well understood by many. Education about true energy costs and the environmental as well as cost consequences of energy choices is critical.

5.0 Conclusion

The varied and multiple components of Ikummatiit will need to be efficiently and effectively reviewed, assessed and managed. In the initial stage, this will involve the co-ordination and continuance of all current plans and various programs.

The GN is now actively engaged in reviewing its overall management strategy. The key to any re-organization must be an acceptance of change by all stakeholders, including GN and Crown agencies.

The Energy Secretariat, modified and properly staffed, would be the logical coordinating agency, and future site of GN Energy policy, while funds and operational activities can be addressed in coordinated but diverse structures. Staffing will not necessarily need an immediate and significant increase, but all involved should recognize that results improve when resources are provided.

Energy, and its potential for growth and change, represents both a current burden and future opportunity for Nunavut. By taking a clear and careful look at our energy options we can develop energy as a tool and resource for Nunavut's future.